



November 1, 2024

The Honorable Shannon Bird  
Chair, Joint Budget Committee

Representative Shannon Bird:

The Colorado Department of Human Services, in response to reporting requirements set forth in Section 26-11-210.C.R.S., respectfully submits the attached AAA's Collaborative Appropriation Adequacy Report.

*“(9)(c)(I) On or before November 1, 2022, and on or before November 1 of each year thereafter, the commission shall submit a report to the joint budget committee summarizing the commission’s implementation of the program described in this subsection (9) over the previous twelve months.”*

If you have any questions, please contact Angelica Granados, CDHS’ Legislative Analyst, at 303-877-0562.

Sincerely,

*Christina Beisel*

Christina Beisel  
Deputy Executive Director, Financial Services





## **Senate Bill 24-040 Reviewing the Adequacy of the Appropriation for State Funding For Senior Services (SFSS): November 1, 2024**

### **I. Executive Summary**

Colorado's population is aging. Currently, one in five Coloradans is sixty or older but by 2050, more than a quarter of the State's population will be sixty or older. Colorado passed the Older Coloradans Act (OCA) in 1973 to align our State with the federal Older Americans Act (OAA) legislation. In SFY 23-24, these programs supported more than 50,000 older Coloradans through community planning, social services, health and well-being services, nutrition programs, transportation and more. The Older Coloradans Program, also known as State Funding for Senior Services (SFSS), is funded through General Fund appropriations and the Older Coloradans Cash Fund, managed by the State Unit on Aging (SUA) within the Department of Human Services, and distributed to the network of 16 Area Agencies on Aging (AAAs) across the state.

As the population of older adults in Colorado continues to increase alongside increases in the costs of providing supportive services to older adults, AAAs across the state are experiencing demand for services beyond their current capacity to provide. As indicated below, total funding was variable throughout the COVID-19 pandemic with increases coming in the form of federal stimulus spending while OAA and SFSS spending remained flat. The roll-off of one-time spending, coupled with inflation and other market dynamics, has led to decreased spending and service capacity across Colorado's AAAs. Based on the November 1, 2024 Adult Assistance Waitlist RFI, 13 of the 16 AAAs currently have waitlists for services based on inadequate funding levels. Any additional funding appropriated to the SFSS line item would be distributed to the AAAs based on the current Intrastate Funding Formula (IFF) and therefore may not adequately meet specific regional needs to eliminate waitlists based on provider capacity and availability. See below for more detail.

CHART 1: TOTAL FUNDING FOR SENIOR SERVICES BY TYPE AND YEAR

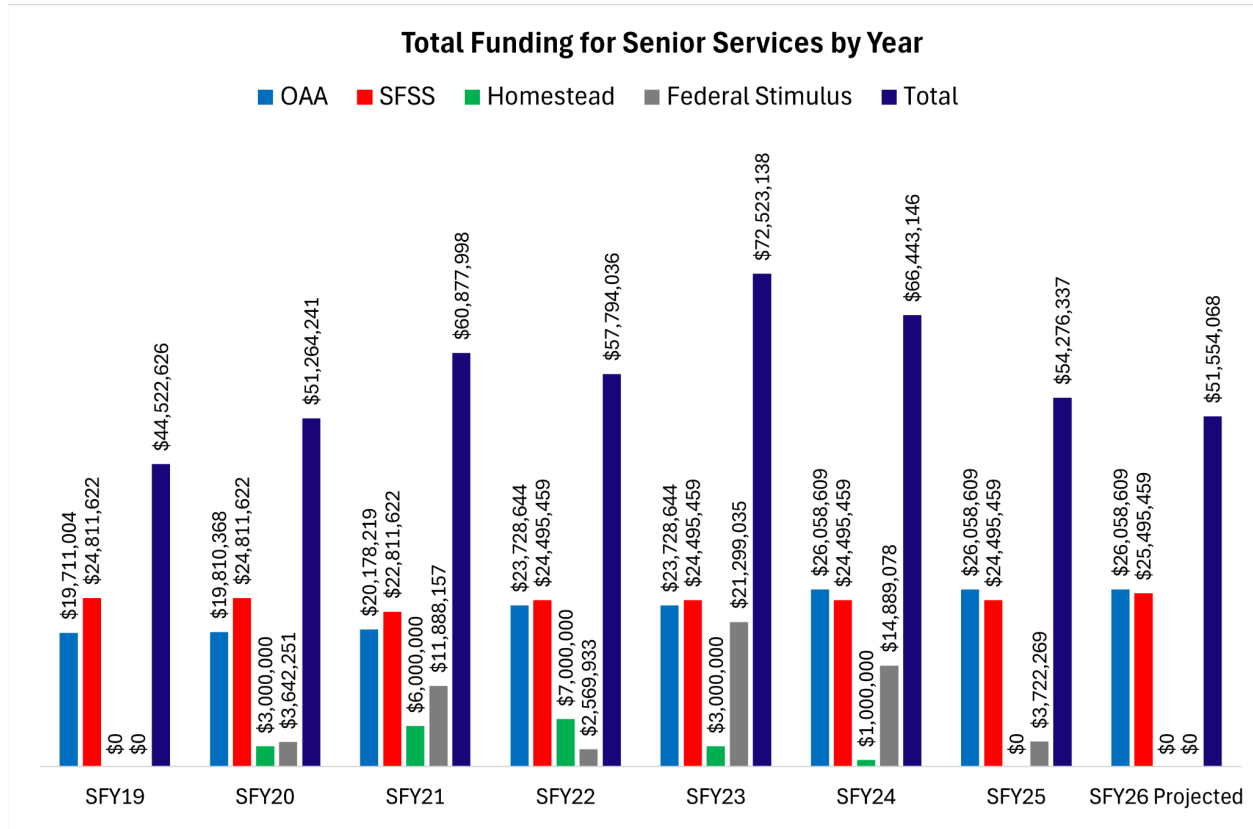


Chart 1: OAA includes regular federal Older Americans Funding. SFSS includes State Funding for Senior Services from the General Fund and Cash Fund. Homestead funding was not base-building and ended in SFY 2024. Federal stimulus funding includes Families First, CARES, Consolidated, ARPA and ARPA Public Health.

In order to respond and prepare for this growing service demand, the General Assembly passed [Senate Bill 24-040](#) which directs stakeholder work through the Department of Human Services and a report regarding the adequacy of SFSS. This first report lays the foundation for future updates and begins to explore several solutions to addressing service shortages. Our shared goal is that every eligible older Coloradan can access the services and supports they need to safely and successfully age in their communities as long as possible. At the same time, we must recognize and operate within the state’s fiscal parameters as we move forward. As Colorado continues to grow proportionally older over the coming decades, the community services provided through the AAA Network will become increasingly important to meeting the needs of communities and allowing older adults to remain in their homes and communities as they age. This reality highlights the importance of proactive planning with our community partners to meet growing demand. With the next statutorily mandated update due in November of 2027, the work tied to the opportunities laid out in this report will move forward in earnest between the Department and our local partners across all 16 AAAs.



## II. Introduction

In May 2024, the Colorado Legislature passed [Senate Bill 24-040](#), “Concerning Reviewing The Adequacy Of The Appropriation For State Funding For Senior Services Every Three Years.” The bill directs the State Department of Human Services (CDHS), the Office of State Planning and Budgeting (OSPB), and representatives from Area Agencies on Aging (AAAs) to review the adequacy of the appropriation for State Funding for Senior Services (SFSS) for the prior three fiscal years to address the needs of senior citizens who request services. This report summarizes the initial review of the SFSS appropriation for SFY 2021-22, SFY 2022-23 and SFY 2023-24. It is important to note that short-term funding in response to the COVID-19 pandemic provided significant additional funding to the network of AAAs, including American Rescue Plan Act (ARPA) funds and one-time infrastructure investments in 2021 by means of [Senate Bill 21-290](#). So, in addition to a historical review of the appropriation, this report includes a look ahead at projected short and long term needs for funding to support the growing population of older adults across Colorado. This report provides some foundational information regarding how community services to older adults are funded and structured. Additionally, this report shows how factors such as waitlists, inflation, demand for services and the overall population growth together combine to create a complicated puzzle that must be solved in order to meet the needs of older adults across the state.

## III. Background/Context:

Funding for services for older adults consists of a complex tapestry of federal, state and local funding sources. As such, problem solving and funding solutions must be advocated for across all levels of government in order to meet growing needs in Colorado, but also across the country.

Passed in 1965, **the Older Americans Act (OAA)** is a federal law that provides supportive services for older adults. The OAA was passed in 1965 as part of President Johnson's "Great Society" initiative. The OAA's goal is to help older people live independently and with dignity in their homes and communities. Core services of the OAA include:

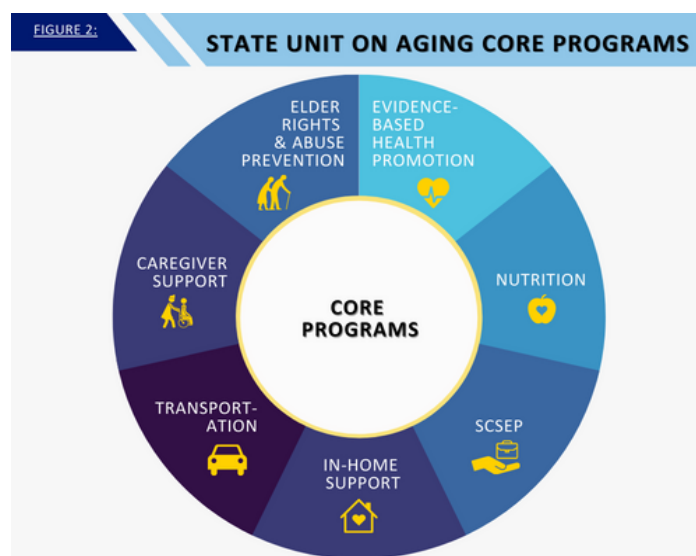
- **Supportive Services:** provide flexible funding to provide transportation, home modifications, outreach, information and referral, case management, adult day care, legal assistance, and in-home services such as personal care, chore and homemaker services;
- **Congregate and Home-Delivered Meals:** in addition to meals, this funding can also include complementary services such as nutrition screening, education and outreach;
- **Disease Prevention and Health Promotion:** these funds pay for evidence-based programs addressing chronic disease self-management, fall prevention and caregiver support, among others;
- **National Family Caregiver Support Program:** funds information and assistance for caregivers; individual counseling, support groups and caregiver training; respite care; and other supplemental services for caregivers; and
- **Vulnerable Elder Rights Protection Activities:** this includes training to help providers identify elder abuse, conduct outreach and education campaigns and support coalitions or multidisciplinary teams.

**The State Unit on Aging (SUA)** was established by the Older Coloradans Act (OCA, C.R.S. Title 26, Article 11) to administer funding for services to older adults in collaboration with the network of 16 AAAs in Colorado (see Appendix A for a list of all AAAs). The partnership between the SUA and AAAs provides an array of supportive programs and services for older



adults throughout the state. In accordance with the OAA, local AAAs prioritize services to older adults with the greatest social and economic need, paying particular attention to individuals with low incomes or from racial and ethnic minority communities and those who are homebound or otherwise isolated. In addition, the SUA develops and administers the State Plan on Aging with input from the AAAs and is involved in a variety of collaborative initiatives aimed at helping older adults remain safely in their homes and communities for as long as they can.

FIGURE 1: CORE PROGRAMS FUNDED BY THE STATE UNIT ON AGING



\*SCSEP is the Senior Community Service Employment Program

### Area Agencies on Aging (AAAs)

Area agencies on Aging (AAAs) were formally established in the 1973 amendments to the OAA as local organizations charged with helping older adults live with independence and well-being in their homes and communities. All AAAs provide services in the five core OAA service areas listed above, however, AAAs are not limited to only providing these services. AAAs are charged with planning and advocating for programs and services to meet the unique needs of older adults in their regions. Additional programs and services provided by AAAs include case management, dental and vision assistance, and State Health Insurance Assistance Program Medicare counseling, among others. There are 16 AAAs in Colorado. See Appendix A for a list and a map.

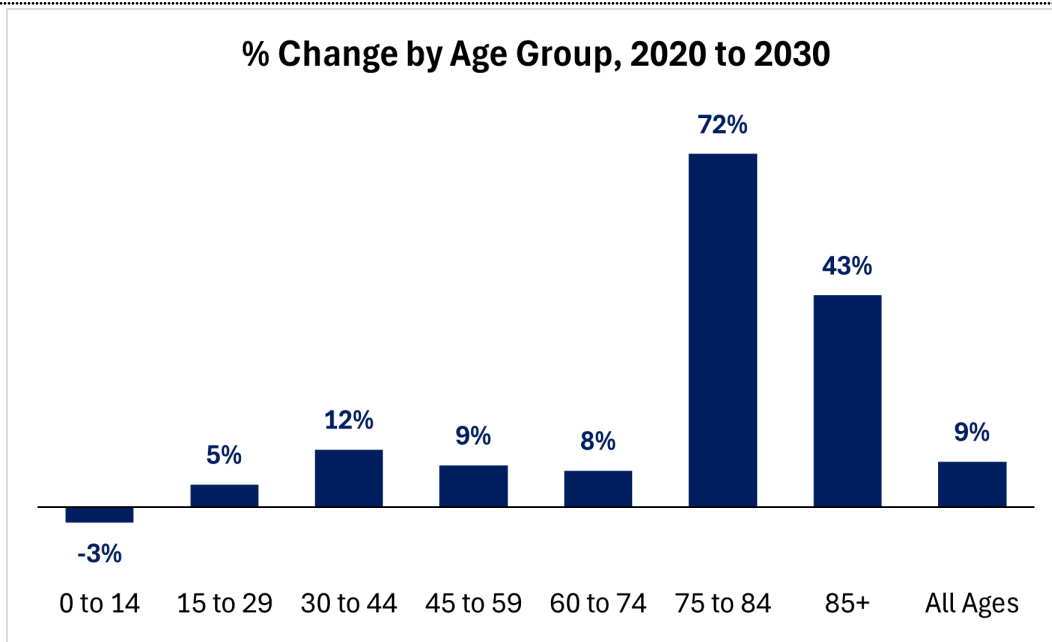
## IV. Demographics & Projections

Colorado is currently the third-fastest aging state in the nation. In the 1990s and early 2000s, Colorado had a relatively small population of older adults of approximately 451,108 and 563,983 respectively. As the baby boomer generation has aged, the state is now experiencing an incredibly rapid rate of demographic change. The number of 60 and older Coloradans grew nearly 50% from 2010 to 2024 increasing from 828,993 to 1,342,381. According to data from the State Demographer's Office, Colorado is currently home to over 1.2 million individuals over the



age of 60, and that number is growing. During the next four-year period, that number is projected to increase by nearly 13 %. **Currently, one in five Coloradans is 60 or older. By 2050, more than a quarter of the State’s population will be 60 or older.** Statewide, while the 59-and-younger population is forecast to grow 6% from 2020 to 2030, the 60 and older population is forecast to increase by 23%. The 60 to 74 year old population is forecast to grow 8%, the 75 to 84 year old population is expected to grow by 72%, and the 85 and older population is expected to grow by 43%. Currently, Area Agencies on Aging serve 7% of Coloradans age 75 and older and 10% of Coloradans age 85 and older. As this portion of the population grows, demand for services funded by State Funding for Senior Services will also increase.

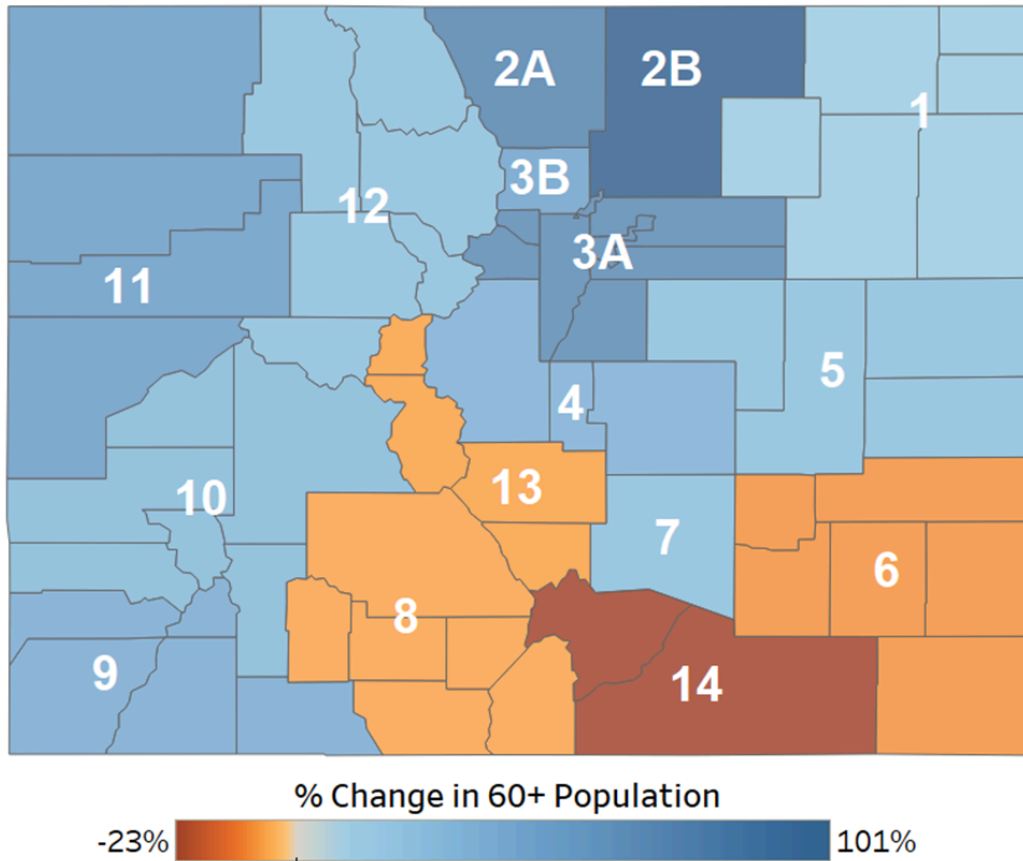
CHART 2: COLORADO POPULATION GROWTH BY AGE 2020-2030



Data from Colorado State Demography Office. *State and Regional Population Estimates by Single Year of Age, 1990 to 2050.* demography.dola.colorado.gov/. Accessed Oct. 2024.



MAP 1: 60+ POPULATION CHANGE BY AAA REGION: 2023-2050



Data from the Colorado State Demography Office, Region Population Estimates by Single Year of Age 1990 to 2050, and County Population Estimates by Single Year of Age, 1990 to 2050, Accessed September 2024, <https://demography.dola.colorado.gov/>

### V. Overview of State Funding for Senior Services

Colorado passed the Older Coloradans Act (OCA) in 1973 to align our State with the federal Older Americans Act (OAA) legislation. This statute was modernized in 2022 with the passage of [House Bill 22-1035](#) to support older Coloradans through community planning, social services, health and well-being services and strategies in preparation for an increasing older population in the State. The Older Coloradans Program, also known as SFSS, is funded through General Fund appropriations and the Older Coloradans Cash Fund. The Older Coloradans Cash Fund consists of monies transferred from sales and use taxes under the authority of Section 39-26-123(2)(a)(I)(A.6), C.R.S. The fund is subject to annual appropriation by the General Assembly.

The monies appropriated for the program must be distributed to AAAs using the same formula that the Department uses to distribute monies available under Title III of the OAA (see below). **It is important to note that SFSS has more flexibility than OAA funds and is not restricted by service type/part like OAA funds are. This enables AAAs to optimize their funding**



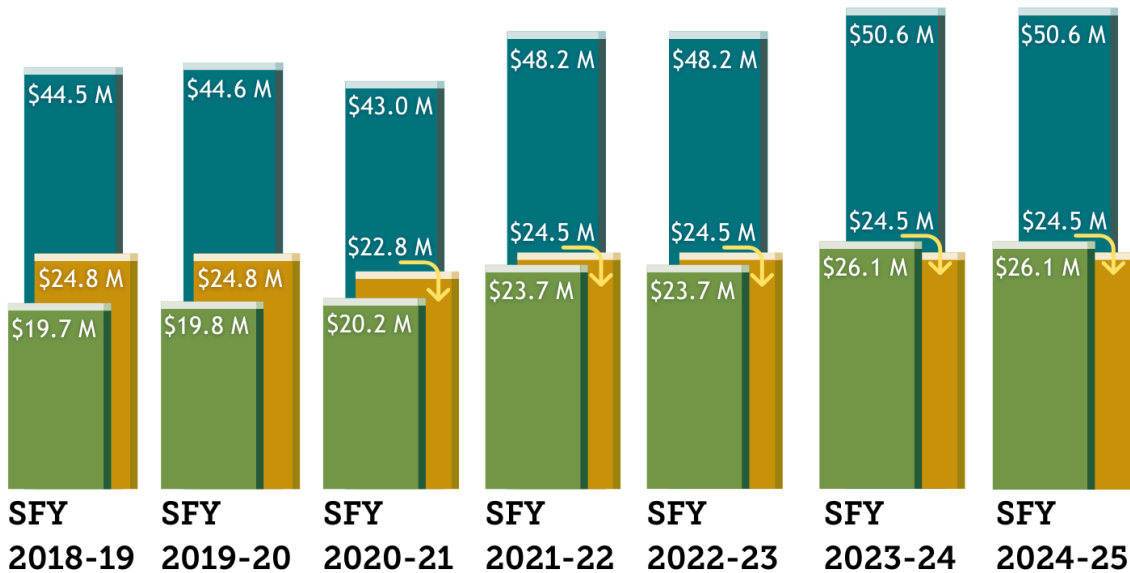


allocations to best address the specific needs of their regions. The AAA network greatly appreciates this flexibility.

CHART 3: HISTORIC LOOK AT FUNDING FOR SENIOR SERVICES

### Federal, State and Total Funding for Senior Services by SFY

● Older Americans Act (Federal) (OAA) ● State Funding for Senior Services (SFSS) ● Total

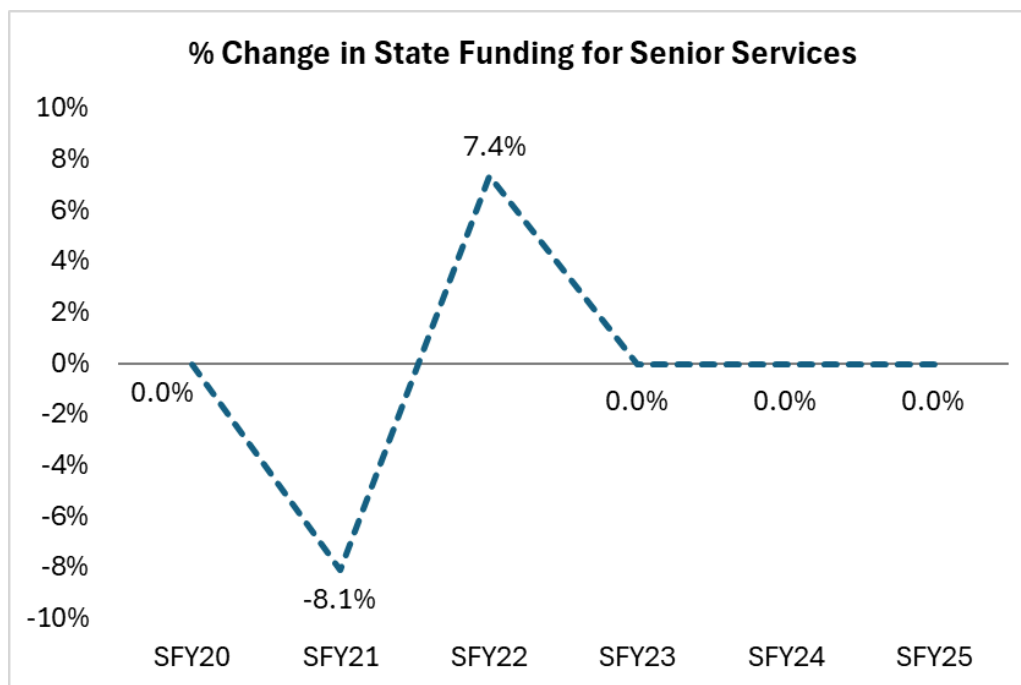


This figure shows regular OAA and SFSS funding over time. In SFY21, there was a \$2 million decrease in General Funds to SFSS. In SFY22, those funds were reinstated.





CHART 4: % CHANGE IN STATE FUNDING FOR SENIOR SERVICES



In SFY2020-21, there was a \$2 million decrease in General Funds to SFSS. In SFY 2021-22, those funds were reinstated.

## VI. Services Provided with SFSS Funding

AAAs are responsible for planning, coordinating and advocating for a comprehensive local service delivery system to meet the short and long-term needs of older adults and caregivers in their area. The Colorado network of AAAs includes 16 agencies designated by the SUA in accordance with the laws and regulations promulgated by the Administration for Community Living (ACL) and authorized under the OAA. AAAs in Colorado are housed in local councils of governments (10), county government offices (4) and non-profit organizations (2). AAAs provide an array of services either directly or through contracts with local service providers in their geographical areas. Services include information and assistance, personal care, homemaker services, chore services, congregate and home-delivered meals, case management, nutrition counseling and education, assisted transportation, legal assistance, outreach and caregiver support services, among others. In addition, AAAs are active in advocacy, planning, coordination of services, sharing information and collaborating with local agencies in order to maximize the impact of the available funds. The services that AAAs provide allow older adults to remain in their homes rather than facing much more costly nursing or assisted living level of care. **Research suggests that investing in health and human services partnerships through AAAs is associated with lower health care use and spending among older**



adults, and that investing in liveable community initiatives for AAAs is associated with reduced low-care nursing home use.<sup>1</sup>

## VII. Impact of SFSS funded services

Older adults who receive SFSS funded services through the Colorado AAAs are surveyed annually. In the 2024 Client Satisfaction Surveys, 96% of respondents rated the services good or excellent. **Clients consistently rank our services positively, with 96% rating the services good or excellent in 2023 and 2022, and 95% in 2021.** 54% of congregate meal participants and 81% of home delivered meal recipients report that the meal they received provided them with food they wouldn't have otherwise been able to shop for or prepare. For older adults receiving rides from AAAs, 58% said that the transportation services help them continue to live in their own home and 79% said the transportation services help them get to their medical appointments.

Client comments from 2023-24:

- “I am deeply grateful for the many services provided by your office on aging! The caregiving services are such an incredible benefit!”
- “What a blessing to receive the milk and bread. I use this meal for my evening meal often. Thank you for caring - It keeps me from having to go to a nursing home!!!”
- “Almost no words to adequately thank you for this invaluable assistance. Without it I would never been able to leave my house (literally). Thank you so much.”
- “I’m very grateful for this food delivery, because my social security retirement income is not sufficient to purchase food, pay rent, cover medication copayment. It’s helpful to receive food delivery when we don’t have transportation to pick up food.”
- “Without these services, I would be homebound and isolated living alone.”
- “I very much appreciate the excellent installation of grab bars in my bathroom. It has helped me immensely. Thank you.”
- “We live in a more remote area, about an hour and 10 minutes from the nearest cities, where we have our doctor, dentist, grocery stores, etc. Fuel prices are so very high, and it was becoming a major expense to drive to get services and buy groceries. The transportation reimbursement has been very helpful.”

## VIII. Funding & Funding Formula

The services provided with both OAA and SFSS are not means-tested. **Any older adult 60 years of age or older is eligible to receive services. However, AAAs are charged with prioritizing service for those in greatest economic and social need.** The OAA requires each SUA to develop a funding formula to ensure that OAA funds are distributed to the AAAs in accordance with the proportions of older adults who are in greatest social and economic need. In Colorado, the Intrastate Funding Formula (IFF) for the distribution of SFSS mirrors the OAA formula and is based on several population demographics provided annually by the State

<sup>1</sup> Brewster, A. L., Wilson, T. L., Frehn, J., Berish, D., & Kunkel, S. R. (2020). Linking Health And Social Services Through Area Agencies On Aging Is Associated With Lower Health Care Use And Spending: An examination of the potential health impacts of establishing partnerships between hospitals and Area Agencies on Aging. *Health Affairs*, 39(4), 587-594.

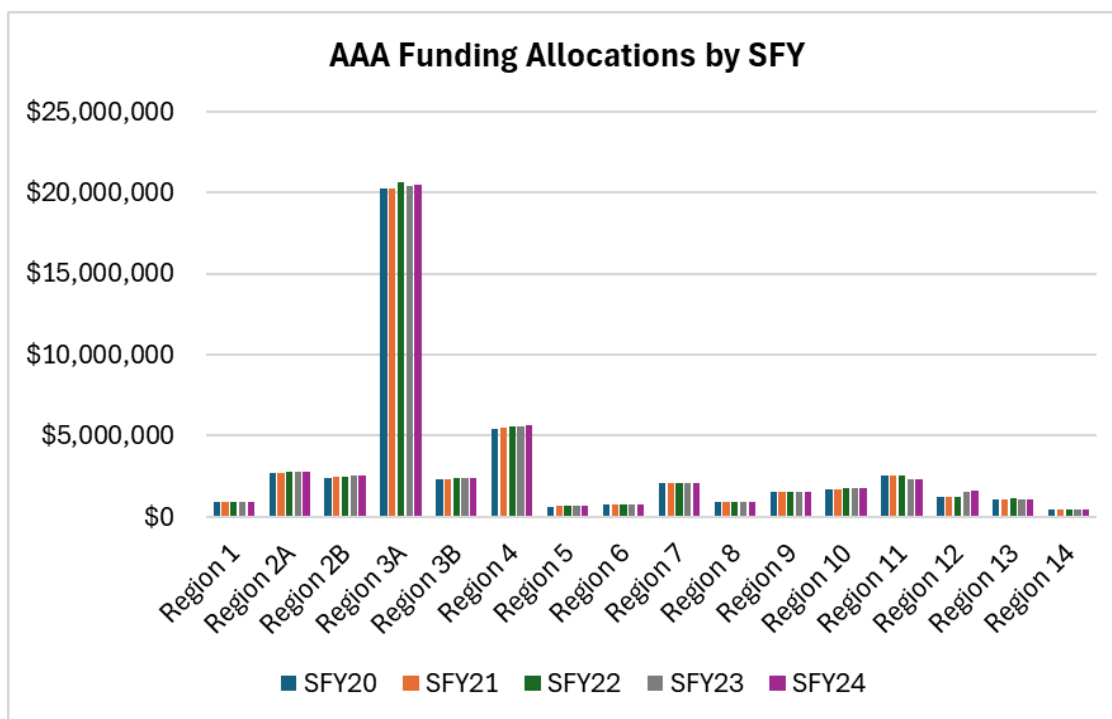


Demography Office. Colorado’s funding formula has been the same for more than 30 years. In close collaboration with the network of AAAs, CDHS will explore potential changes to the IFF in order to ensure that funds are being distributed to the areas with the highest need moving forward. The IFF in Colorado is based on the following demographic breakouts:

- 40% Population age 60 years and older
- 15% Rural population age 60 years and older
- 15% Minority population age 60 years and older
- 15% Low-income population age 60 years and older
- 15% Population age 75 years and older

The SUA uses a hold harmless formula to ensure that no AAA’s overall funding ratio will reduce by more than 1 % from the previous year. Appendix B and Chart #3, below, show the resulting allocations for the 16 planning service areas (PSAs), commonly referred to as regions, covered by the AAAs in Colorado, for SFY 2021-2022 through 2023-24.

CHART 5: YEAR OVER YEAR AAA FUNDING BY REGION



One-time and time-limited funding in the forms of House Bill 12-1326 “Homestead” funds and federal pandemic relief funds (ARPA) created a funding dynamic that allowed Colorado AAAs to meet pandemic-era service increases, make new one-time infrastructure investments through [Senate Bill 21-290](#), but also led to funding shortfalls associated with the rolloff of these one-time funds. **The impact of the one-time Homestead funding was initially lessened by ARPA investments, however the roll-off of those one-time federal funds in the current fiscal year is creating challenges among our AAA partners as they are forced to scale back services in the face of growing demand.**



**SFSS funding has remained largely flat over the last five years while OAA funding has experienced incremental increases.** Overall funding has lagged behind population and inflation growth. Faced with high demand and limited funding, AAAs are constantly exploring other sources of revenue to supplement SFSS funds and stretch these dollars farther. Adjusting for inflation, SFSS for Colorado's AAAs has fallen 14.5% in real dollars over the last four years while the older adult population has grown 12%. Accounting for inflation and the growth in the older adult population, the cumulative shortfall for the previous four years is \$20M compared to SFY 2019-20 funding levels.

A few examples from AAA Regions:

- Region 7: Over the last three years, the region has experienced the following decreases in funding, due to a decrease in SFSS in SFY 2021-22 and due to the elimination of ARPA and Homestead funds:
  - SFY 2021-22 to 2022-23: a 12.74% decrease
  - SFY 2022-23 to 2023-4 a 9.6% decrease
  - SFY2023-24 to 2024-25 a 30.72% decrease in overall funds.

**This has resulted in cuts to services and increases in waitlists for older adults in the region.**

- Region 3A: the number of adults aged 60 and older is projected to grow 11% by 2027 to over 697,000 older adults. **The growing number of older adults coupled with higher service costs, and with no increases in funding equates to a significant diminishment in services overall.**



CHART 6: EFFECTIVE FUNDING BY YEAR WITH NO ADJUSTMENTS AS % OF SFY 2023-24 SFSS FUNDING

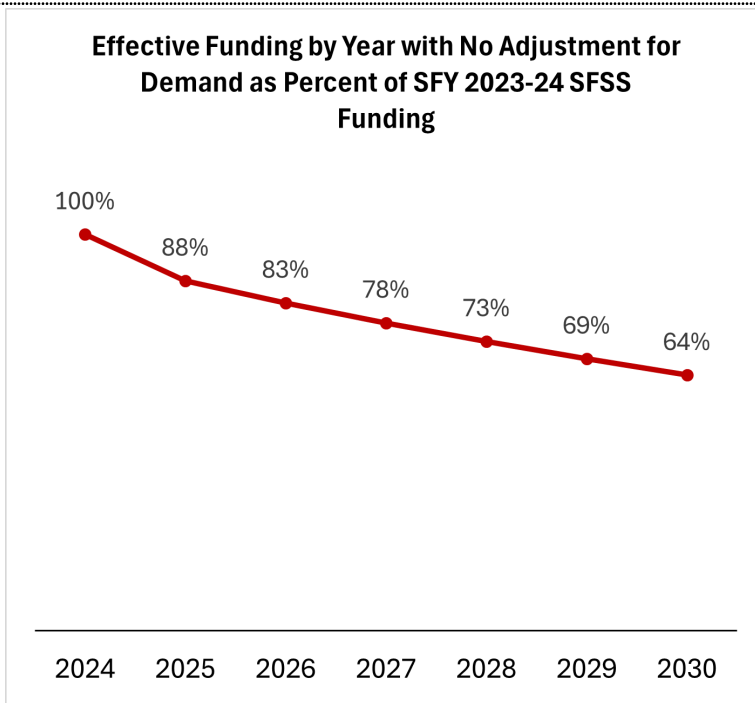


Chart 2 shows what the effective funding in future years will be if SFSS funding remains flat through 2030. The effective funding is adjusted for increased demand (population growth) and increased costs of services). The chart assumes an annual 3% cost of service increase. Demand is defined as estimated target population based on annual AAA caseload data. Colorado State Demography Office, State and Regional Population Estimates by Single Year of Age, 1990 to 2050, Accessed September 2024, <https://demography.dola.colorado.gov/>

**IX. Clients Served/Units of Service**

Research suggests that older adults who receive multiple OAA services are more likely to remain in their homes and communities longer than clients only receiving one service.<sup>2</sup> In Colorado, 23.6% of our clients received 2 or more registered services in both SFY2022-23 and SFY 2023-24.

TABLE 1: UNITS OF REGISTERED SERVICE AND CLIENTS SERVED BY STATE FISCAL YEAR

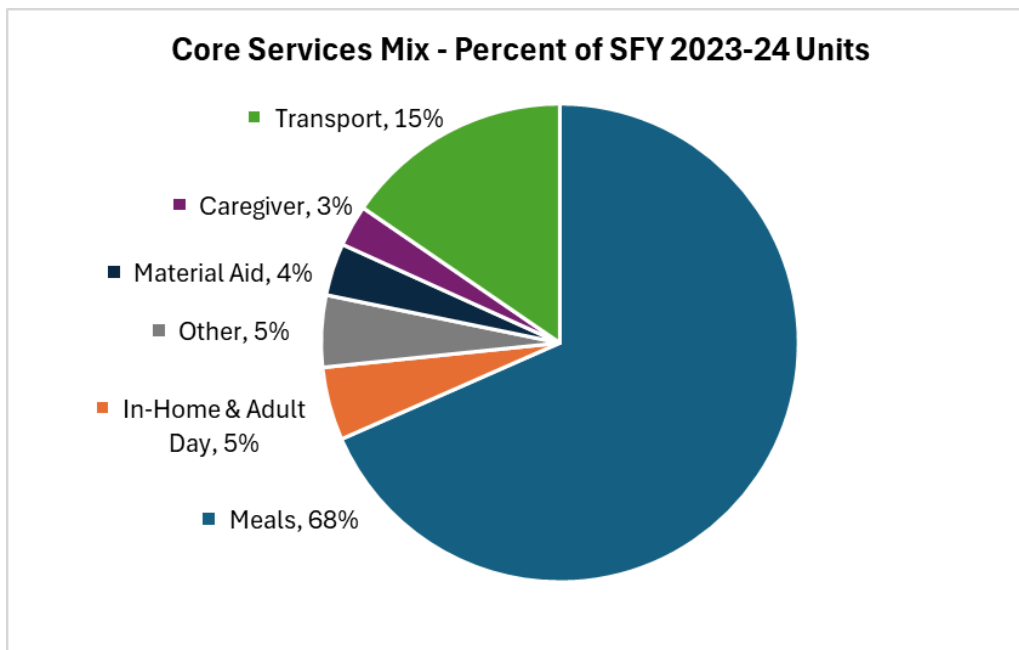
State Fiscal Year	Units	Clients
SFY 2021-22	2,867,900	52,846
SFY 2022-23	3,195,462	53,736
SFY 2023-24	2,987,732	51,618

Registered services are services such as meals and transportation that require AAAs to collect individual client information

<sup>2</sup> Westat. 2011. Risk Factors for Nursing Home Placement Among OAA Service Recipients: Summary Analysis of Data from Five Sources. Available at: [https://acl.gov/sites/default/files/common/Risk\\_Factors.pdf](https://acl.gov/sites/default/files/common/Risk_Factors.pdf)



CHART 7: % OF UNITS BY SERVICE CATEGORY: CORE SERVICES SFY 24

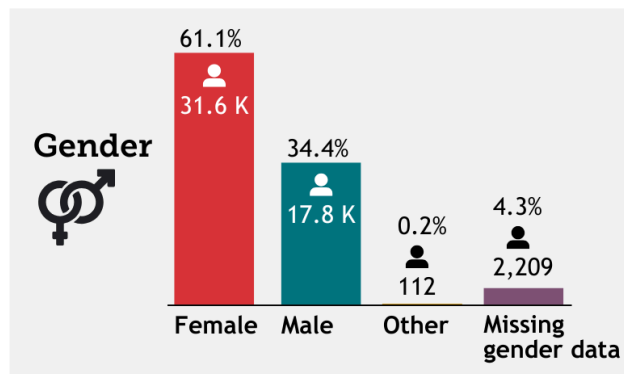
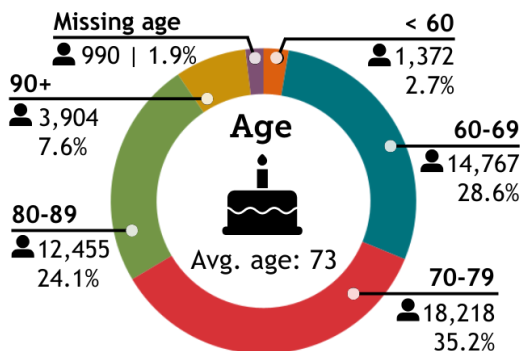


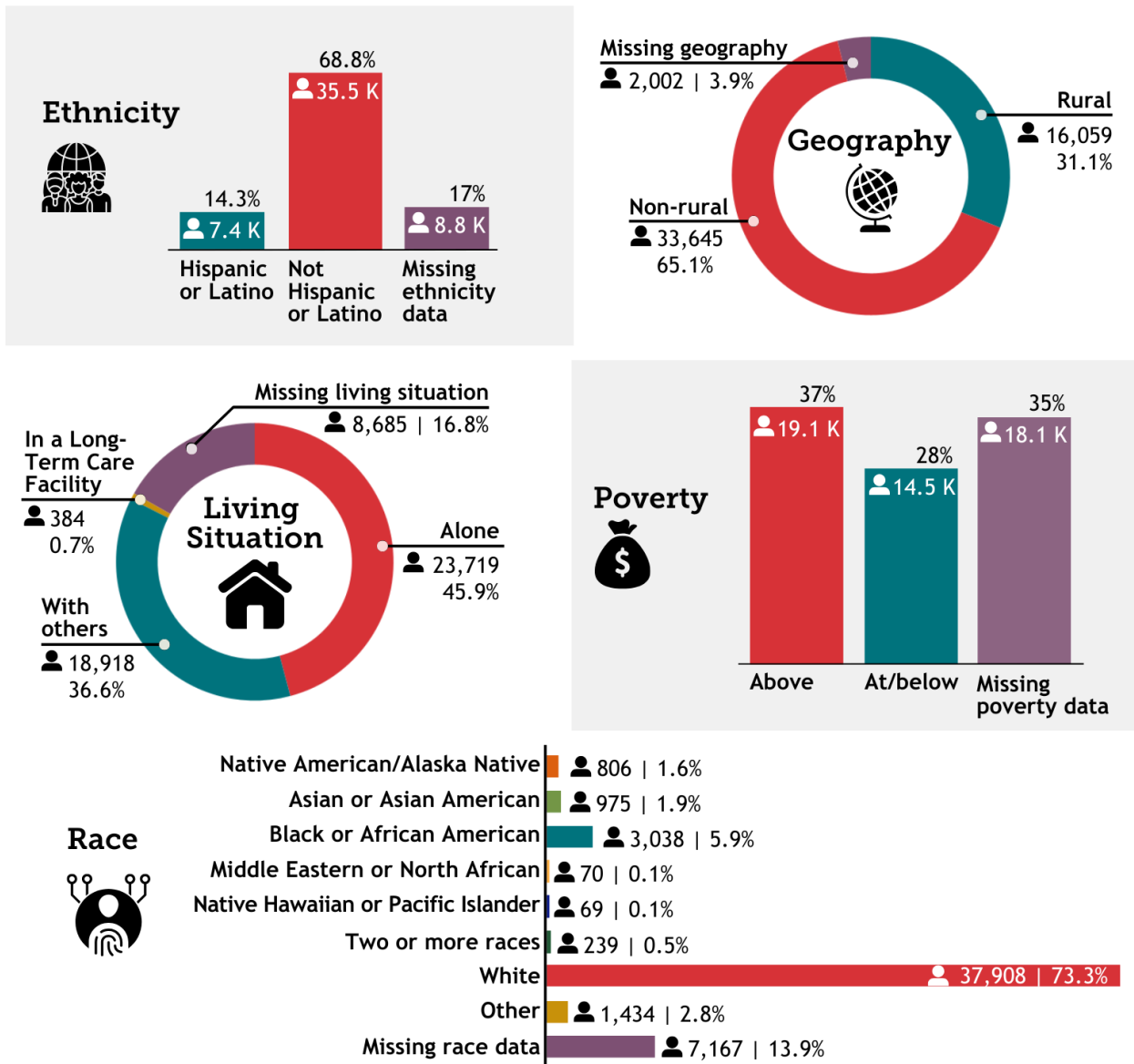
Core services includes registered services  
 Other Services includes: Case Management, Counseling, Screening, Reassurance, Evidence-Based Health Promotion, Nutrition Counseling, and Nutrition Education  
 In-Home and Adult Day includes: Adult Day, Homemaker, Personal Care, and Chore

CHART 8: AAA CLIENT DEMOGRAPHICS

### AAA Client Demographics During SFY 2023-24

**Total clients served: 51,706**





**X. AAA Operations**

Across Colorado, an average of 90% of SFSS dollars received by AAAs are spent directly on the provision of supportive services to older adults across the state. **AAAs rely on multiple funding sources in addition to SFSS funds to meet their needs. AAAs leverage these varied funding sources to meet federal matching requirements and attempt to maximize every dollar to serve as many older adults as possible.** This helps ensure more sustainability in SFSS services.

Over the last several years, AAAs have experienced increasing requests for funding by the local service providers they contract with. The table below shows a selection of AAAs and the amount of requests over and above available funding that they received. These requests from providers





were for core services such as nutrition, transportation, in-home services, caregiver respite, and material aid (dental, vision and hearing). These are not “wish lists” - these are real providers who could provide real services to real older adults in Colorado, should more funding be available.

TABLE 2: AAA FUNDING SHORTFALLS BASED ON PROVIDER REQUESTS

AAA Region	Shortfall of available funds based on provider requests for funding
Region 2A	\$0.7 million
Region 3A	\$9.2 million
Region 3B	\$2 million
Region 4	\$2.4 million
Region 7	\$1 million
Region 11	\$0.8 million
Region 12	\$0.5 million

In recent years, AAAs have had to scale back services and staffing based on funding levels. **In a recent survey of AAAs, 12 of the 16 regions reported making cuts in services due to budget shortfalls.** Some examples include:

- Region 1 had to cut two full time positions as well as four part time home delivery staff positions along with cutting a total of 8 hrs per day from our kitchen.
- For SFY 2024-25, compared to SFY 2023-24 and previous years, Region 12 cut the Diabetes Prevention Program, all Information & Assistance and Public Information services from subcontracts (except for one provider) and reduced funding for case management.
- Region 4: Continues to make cuts to services, due to increased needs, stating, “While cutting staff seems an easy answer in order to rebalance funding, who will provide the service if we do? Our staff are our most precious commodity in which we depend on supporting the clients who come to us and our providers for services.”
- Having less funding overall for SFY 2024-25, the Denver Regional Council of Governments (DRCOG) AAA (Region 3A) and its advisory committee had to make challenging funding decisions. Funding was prioritized for services that addressed basic needs – food, transportation, in-home care. As a consequence, certain services such as counseling, case management, education, and information and assistance were not funded. Further, due to limited funding, the DRCOG AAA did not renew contracts with 9 of its long-time providers, representing over one-fourth of its previous network. One of these providers was a popular source for hearing aids and eyeglasses using DRCOG funding for the past 15 years.



CHART 9: SFSS FUNDING INCREASES NEEDED TO KEEP PACE WITH DEMAND

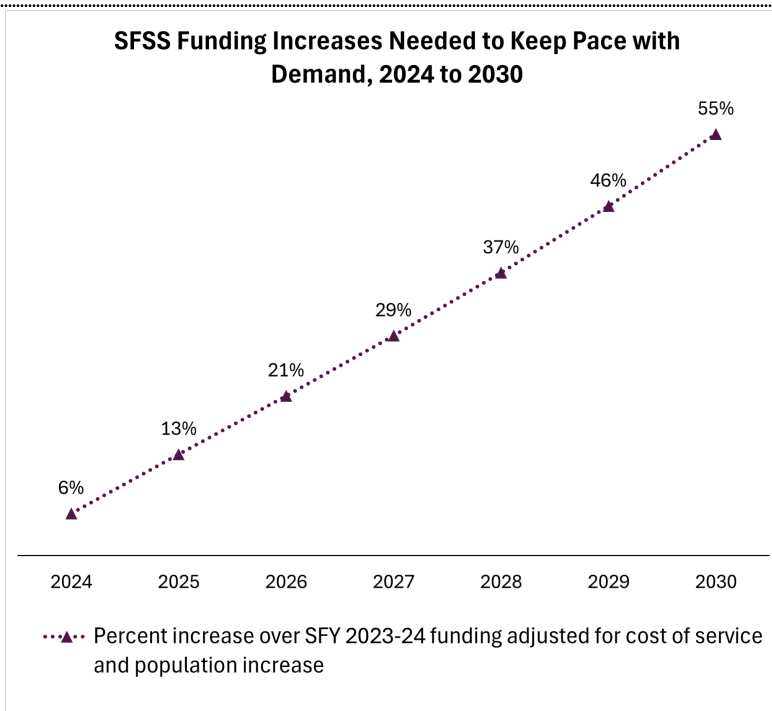


Chart 8 assumes 3% annual cost of service increase. Population increase reflects estimated target population based on annual AAA caseload data. Colorado State Demography Office, State and Regional Population Estimates by Single Year of Age, 1990 to 2050, Accessed September 2024, <https://demography.dola.colorado.gov/>

### XI. Waitlists for Services

When an older adult contacts their local AAA for service and the AAA either does not have the funding or provider capacity to provide that service, the older adult is placed on a waitlist managed by that AAA. The SUA has sought to understand the AAA waitlists for services over the last several years, requesting waitlist data from each region on a monthly basis. Even before expending Homestead and ARPA funding, most AAAs had waiting lists for services. Now, these lists are even longer. AAA Directors report that older Coloradans in need of services are growing increasingly desperate and frustrated as they are unable to be met and, ultimately, placed on a waitlist. While thousands of Coloradans are currently on waitlists for services, the Department anticipates underreporting due to not all regions creating waitlists. Currently regions 1, 6, and 14 do not maintain waitlists, they only provide the services they are able to with their funding allocations.

TABLE 3: AAA WAITLIST DATA SFY23 & SFY24

SFY	# of Regions with waitlists	# of people on waitlists	Cost to clear waitlist
2022-23	6	4,940	\$5,958,623



2023-24	13	6,755	\$10,022,422
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The cost to eliminate the waitlist by service type for each AAA is based on the number of individuals on the waitlist, multiplied by the average number of units received for people receiving the service in that AAA region in FY 2023-24, multiplied by the average cost per unit of service for that AAA region in SFY 2023-24. It is important to note that any additional funding appropriated to the SFSS line item to address current waitlists will be distributed to the AAAs based on the IFF, not based on specific AAA funding needs to eliminate waitlists. For example, if the JBC appropriates an additional \$3 million to the SFSS line item with the intent of addressing AAA waitlists, an AAA that receives five percent of the overall AAA allocation would receive \$150,000 of that funding and an AAA that receives 40% of the AAA allocation would receive \$1,200,000 of that funding, regardless of their waitlists needs. If both AAAs needed \$300,000 to eliminate their waitlists, one AAA would not be able to eliminate its waitlists while the other AAA would receive more funding than what is needed to eliminate its waitlists. For more detail on the waitlists, see Appendix C.

In 2024, SUA staff began workgroups of AAAs and providers to discuss waitlists for two of the more utilized services provided with OAA and SFSS funds: nutrition and transportation. These workgroups are looking at best practices from other states and working in collaboration with AAAs and providers to establish new protocols for prioritizing service to older adults in the greatest social and economic need. This work will continue into 2025 and beyond in order to determine a more precise calculation that reflects true community needs.

**In addition, it is important to consider several other factors that have been contributing to the growth of waitlists over time:**

**Inflation** - an increase in raw food costs, labor costs and gas costs have contributed to an increase in the overall unit costs for providing many services. According to the Department Of Local Affairs (DOLA) website, in the last year, the consumer price index for all items less food and energy increased 2.4%. Food prices were up 2.6% in the last year. For labor, compensation costs increased 4.1% in the last 12 months and benefit costs increased 4.2%. With the cost of goods and labor increasing, the amount of services must decrease, if funding levels are remaining stagnant or decreasing.

In addition, [House Bill 21-1162](#), requiring the use of specific food storage containers, have significantly driven up costs in nutrition programs across the state. This means fewer nutrition dollars going to actual meals to older adults and more dollars going to overhead.

The AAAs report these impacts to their ability to serve older adults in need:

- **Increase in costs:** dramatic increases in food costs, material costs, labor costs, and overhead costs in the last 5 years have impacted AAAs ability to provide nutritious meals to older adults. Food costs have increased 67%. Material costs (cups, lids, packaging for food, office supplies) have increased up to 137%. Labor costs are up 23%, and overhead costs (mostly energy) are up 25%. Automobile and liability insurance rates have also increased.
- **Hiring and retaining staff:** Providers across a variety of service sectors have been competing with for-profit companies for new hires. According to several in-home providers, for instance, fast food restaurants were able to draw current and potential homemaker staff away with slightly higher differentials in the hourly pay rate.



Transportation providers, who have struggled with having enough drivers, have had to increase their pay rates and offer sign-on bonuses as employment incentives.

- **Serving fewer clients or units:** Providers are using the same amount of funds but are able to serve fewer people. Many regions have been forced to reduce the number of congregate meal services each week, with the possibility of further cuts in SFY 2024-25.
- **Higher unit rates:** Vendor negotiations, bulk purchasing, managing waste, and other measures have helped some providers to partially mitigate the impacts of inflation. However, in spite of those measures, many providers have needed to request a higher reimbursement rate for each unit of service, translating to fewer older adults being served.

Below are the increases in the average cost per unit (or service rate) for the top services in Region 3A from 2022 to 2025. These or similar increases are being experienced by all AAAs across the state:

	Average Cost/Unit		% Increase
	2022	2025	
Transportation	\$20.46	\$26.83	<b>31.2%</b>
Nutrition	\$10.68	\$14.07	<b>31.8%</b>
In-home	\$38.90	\$50.23	<b>29.1%</b>

**As the data shows, the cost of providing services continues to steadily increase year after year.**

**Regional Provider Capacity and Service Availability** – In addition to the rising cost of doing business, some local service providers do not have the staff, volunteers, space, etc. to serve additional older adults. In some areas of the state, there are no existing providers for a particular service category. Not all areas of a region, particularly rural regions, are served because there is simply not enough demand for services to be cost effective for a provider to serve older adults in these locations.

**Impacts of cuts/strains on other human service programs:** The reduction of other essential human services has had a significant impact on older adults, leading to increased reliance on programs like OAA and SFSS. When these services are cut, many individuals find themselves in precarious situations where their basic needs go unmet. This creates a ripple effect, with rising demand for OAA and SFSS programs resulting in longer waitlists and strained resources. AAAs shared these examples of impacts they are experiencing:

- Region 12: One of their Food Banks is planning on cutting services due to a lack of funding. This will result in older adults having even less access to food.
- Region 13: a lack of Medicare and Medicaid providers in the region drives a large number of clients to the AAA for services that would be able to be reimbursed by Medicaid if more providers were available in the area.
- Region 7: older adults who do not qualify for Medicaid HCBS turn to the AAA for supportive services. These are extremely low income people who “miss” Medicaid eligibility by a minimal amount.



- When pandemic SNAP benefits came to an end, AAAs experienced many more requests for nutrition assistance across the state. Additionally with the Medicaid wind down post-pandemic, older adults who no longer qualify for Medicaid are seeking services from their local AAA. Unfortunately, the increased demand is exacerbating existing waitlists for these already overburdened services.
- The emotional toll on clients and service providers is significant. Older adults, left without Medicaid coverage and languishing on OAA/SFSS waitlists, often experience feelings of abandonment, anxiety, and isolation, further increasing their risk of depression. Meanwhile, service providers face compassion fatigue and moral dilemmas as they struggle to prioritize clients, knowing that they are unable to serve everyone in a timely manner, if at all.

## XII. Findings and Recommendations

This initial Senate Bill 24-040 report identifies key trends, service needs, captures a robust snapshot of how AAAs operate and who they serve, and identifies areas for consideration as Colorado seeks to meet the needs of its aging population. We know that AAA services help people age in the community and we know that addressing health-related social needs keeps older adults healthier and out of more costly care settings which may ultimately reduce growing pressure on Medicaid services. **The AAAs, their service providers, and the local governments are on the frontlines working diligently every day to help older Coloradans access needed services, save money on health care, find and stay in affordable housing, and obtain transportation services. Continued investment in SFSS funding will be critical to supporting the quality of life for older Coloradans as we continue to make strides as an age-friendly state.**

**This report demonstrates that keeping up with AAA service demand and calculating the adequacy of the SFSS appropriation is complicated. However, it is clear that current funding strategies do not adequately project the growing demand for services, indicating a need for more work in anticipating the future needs of older Coloradans.** Laying the groundwork now with more accurate projections of future needs will better position the Department and the AAAs to meet the needs of our aging population. Based on waitlist data from June 2024, \$10,022,422 is needed to clear existing waitlists. With the future outlook of waitlist mitigation impacted by multiple variables, fiscal and policy solutions must be sought together in order to meet the needs of older Coloradans seeking AAA services.

**Our primary goal as we move forward is to meet current service demands and develop a plan that considers the factors impacting future growth in order to keep pace with growing demand. With this aspiration in mind, we cannot ignore the reality that we must also operate within our current and future fiscal environment. As elaborated upon throughout this report, AAA funding and the resulting services are a puzzle of federal, state, local, and other resources. As such, meeting community needs requires advocacy and problem solving across all levels.** Ahead of the next report of this nature due to the legislature in 2027, the SUA will work in collaboration with the AAA network to evaluate the feasibility and priority of methods to increase funding adequacy, stability, and sustainability. Together, we will continue to identify opportunities and explore the following:



1. Develop options for consideration that seek to eliminate the current AAA waiting list (e.g., one-time investments, staggered multi-year investments).
2. Explore a funding model that projects anticipated demands based on to be determined key factors (e.g., inflation, population growth of adults 60+, percent of adults 75+ living within 125% federal poverty level, etc.).
3. Explore diversification of funding at the local and state level, including maximizing the drawdown of federal resources (e.g., Medicaid/Medicare opportunities, federal grants) and evaluating examples and opportunities for a statewide or local mill levy or special tax to specifically benefit the AAA network, ([Ohio](#) has taken this approach and there's currently an issue on the ballot in [Missouri](#) ).
4. Continue to support infrastructure development so AAAs can physically serve increasing numbers of older adults. [Senate Bill 21-290](#) was a successful example of this, allowing many regions to build new buildings, repair existing buildings, and increase provider capacity.
5. In close collaboration with the network of AAAs, CDHS will explore potential changes to the Interstate Funding Formula in order to ensure that funds are being distributed to the areas with the highest need moving forward.



## APPENDIX A: AAA Regions

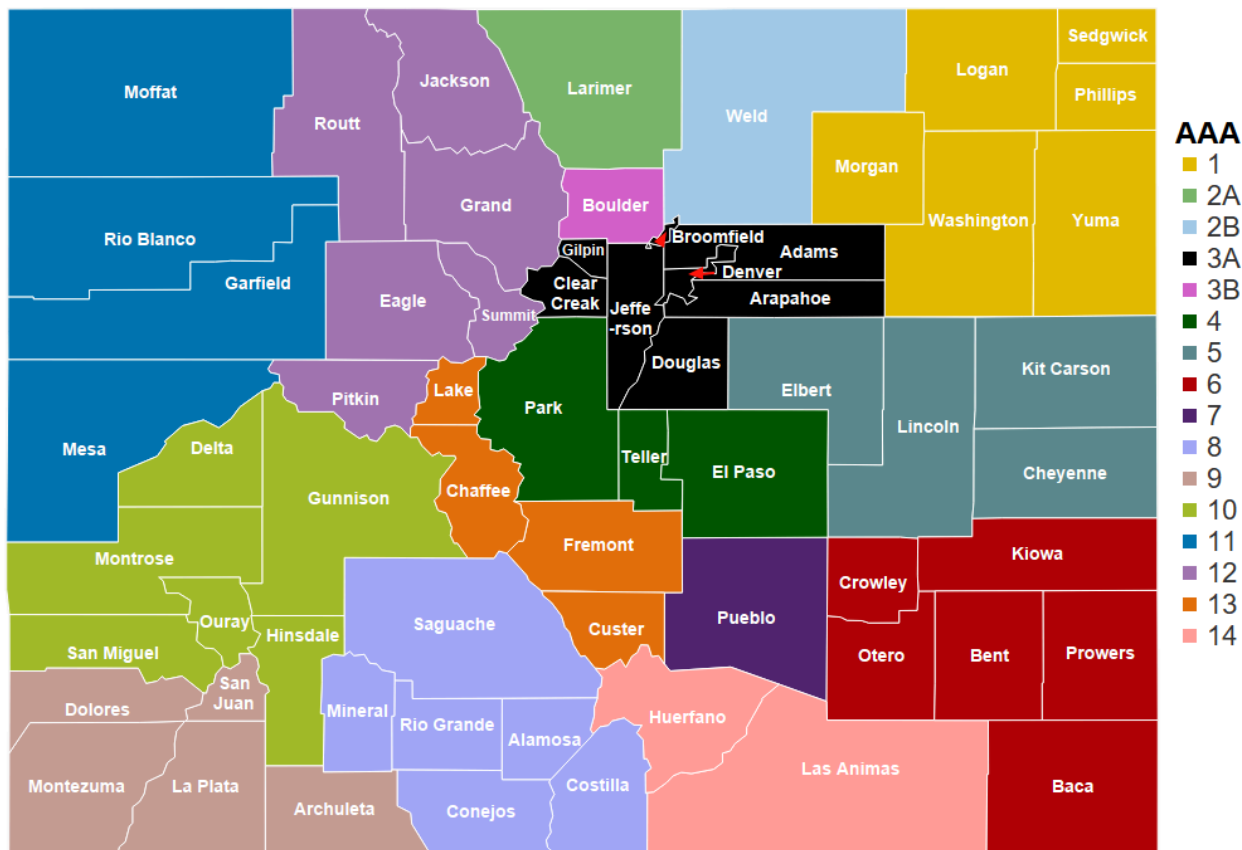
TABLE 4: COLORADO'S AREA AGENCIES ON AGING

Region	AAA Agency	Counties
1	Northeastern Colorado Association of Local Governments Area Agency on Aging	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma
2A	Larimer County Office on Aging	Larimer
2B	Weld County Area Agency on Aging	Weld
3A	Denver Regional Council of Governments (DRCOG) Area Agency on Aging	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Gilpin, Jefferson
3B	Boulder County Area Agency on Aging	Boulder
4	Pikes Peak Area Council of Governments (PPACG) Area Agency on Aging	El Paso, Park, Teller
5	East Central Council of Governments (ECCOG) Area Agency on Aging	Cheyenne, Elbert, Kit Carson, Lincoln
6	Lower Arkansas Valley Area Agency on Aging (LAVAAA)	Baca, Bent, Crowley, Kiowa, Otero, Prowers
7	Pueblo Area Agency on Aging (PAAA)	Pueblo
8	South-Central Colorado Seniors, Inc. (SCCS)	Alamosa, Conejos, Costilla, Mineral, Rio Grande, Saguache
9	San Juan Basin Area Agency on Aging (SJBAAA)	Archuleta, Dolores, La Plata, Montezuma, San Juan
10	Region 10 Area Agency on Aging	Delta, Gunnison, Hinsdale, Montrose, Ouray, San Miguel
11	Area Agency on Aging of Northwest Colorado	Garfield, Mesa, Moffat, Rio Blanco
12	Vintage	Eagle, Grand, Jackson, Pitkin, Summit, Routt
13	Upper Arkansas Area Agency on Aging	Chaffee, Custer, Fremont, Lake
14	South Central Council of Governments Area Agency on Aging	Huerfano, Las Animas





MAP 2: COLORADO'S COUNTIES AND AREA AGENCIES ON AGING



## APPENDIX B: Funding Allocations

TABLE 5 : AAA FUNDING ALLOCATIONS BY STATE FISCAL YEAR

Region	SFY20	SFY21	SFY22	SFY23	SFY24
Region 1	\$952,401	\$935,029	\$948,266	\$936,219	\$932,298
Region 2A	\$2,693,119	\$2,722,960	\$2,798,917	\$2,782,541	\$2,823,432
Region 2B	\$2,412,638	\$2,445,652	\$2,510,694	\$2,548,867	\$2,572,331
Region 3A	\$20,260,313	\$20,282,697	\$20,617,235	\$20,415,812	\$20,482,746
Region 3B	\$2,302,168	\$2,312,793	\$2,359,592	\$2,405,994	\$2,412,997
Region 4	\$5,426,408	\$5,480,503	\$5,567,793	\$5,573,230	\$5,661,673
Region 5	\$643,692	\$651,540	\$663,314	\$656,859	\$653,855
Region 6	\$783,308	\$768,327	\$788,251	\$779,041	\$779,342
Region 7	\$2,094,896	\$2,071,112	\$2,085,354	\$2,058,213	\$2,049,205
Region 8	\$948,762	\$952,250	\$959,737	\$947,332	\$947,512
Region 9	\$1,541,055	\$1,543,820	\$1,558,262	\$1,562,687	\$1,580,376
Region 10	\$1,714,702	\$1,715,554	\$1,742,151	\$1,760,091	\$1,766,199
Region 11	\$2,525,828	\$2,535,174	\$2,580,182	\$2,308,535	\$2,317,381
Region 12	\$1,216,736	\$1,238,943	\$1,265,272	\$1,573,694	\$1,586,438
Region 13	\$1,115,651	\$1,110,834	\$1,118,174	\$1,103,705	\$1,098,621
Region 14	\$484,696	\$485,987	\$490,864	\$484,901	\$486,556



## APPENDIX C: 2024 RFI #5: ADULT ASSISTANCE WAITLIST

### Request for Information #5

In 2018, the Joint Budget Committee (JBC) requested the Department of Human Services (CDHS) initiate reporting on waiting lists associated with services provided by Colorado's Area Agencies on Aging (AAAs). CDHS is requested to submit annually, on or before November 1, a report that provides the cost to eliminate waitlists for each service type for services provided to older adults by the state's AAAs.

### Summary & Methodology

The State Unit on Aging (SUA), located within CDHS, works closely with the 16 AAAs to gather data on the waitlists for services for older Coloradans around the state. The data below represents the cost associated with eliminating the waitlists for SFY 2023-24, based on the following assumptions and methods:

- To identify the total cost statewide to eliminate the waitlists for each service type, the Department calculated the cost to eliminate the waitlist for each service at each AAA and then aggregated the results.
- The cost to eliminate the waitlist by service type for each AAA is based on the unduplicated count of individuals on the waitlist multiplied by the average number of units received for people receiving the service in that AAA region in SFY 2023-24, multiplied by the average cost per unit of service for that AAA region in SFY 2023-24.

As reported to the JBC in SFY 2023-24, calculations of waitlist totals in prior years have been impacted by inconsistent tracking practices across the AAA network and limited frequency of reporting. As a result, the Department revised reporting procedures and collection practices, obtaining reporting from an additional seven AAAs. The Department also reduced data skew resulting from prior years' reliance on inconsistent service rates, resulting in more accurate data with which to calculate costs of waitlist elimination. These improved practices, combined with the implementation of Senate Bill 24-040, have resulted in a deeper and more nuanced evaluation of the needs of the AAA service system.

**Table 1** outlines the breakdown of aggregate numbers and cost to eliminate the waitlist based on unduplicated client count for the AAAs who reported waitlists in SFY 2023-24.

**Table 1: Breakdown of aggregate numbers and cost to eliminate the waitlist based on unduplicated client count for the AAAs who reported waitlists in FY 2023-24 (based on data from June 30, 2024).**

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 2A: Larimer County</b>			



Other	79	253	\$146,480.00
In-Home	45	162	\$40,740.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 2B: Weld County</b>			
Material Aid	51	272	\$103,000.00
Other	52	84	\$124,800.00
In-Home	49	244	\$188,790.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 2B: Weld County</b>			
Material Aid	51	272	\$103,000.00
Other	52	84	\$124,800.00
In-Home	49	244	\$188,790.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 3A: DRCOG: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Gilpin, Jefferson</b>			
Material Aid	481	166	\$1,126,590.53
Other	211	132	\$12,595.31
In-Home	720	130	\$1,038,361.17
Nutrition	975	198	\$1,831,830.00
Transportation	1443	179	\$1,647,207.80

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 3B: Boulder County</b>			
Nutrition	22	50	\$25,053.60
In-Home	378	340	\$287,143.64
Other	42	30	\$24,129.00



Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 4: El Paso, Park, Teller</b>			
Other	501	15	\$1,236,114.22
Nutrition	468	15	\$432,956.16
In-Home	4	6	\$3,455.40
Transportation	88	0	\$150,147.20

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 5: Cheyenne, Elbert, Kit Carson, Lincoln</b>			
Material Aid	21	174	\$51,100.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 7: Pueblo County</b>			
Material Aid	212	121	\$233,732.75

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 8: Alamosa, Conejos, Costilla, Mineral, Rio Grande, Saguache</b>			
Material Aid	10	30	\$3,750.00
In-Home	50	90	\$14,420.00
Transportation	5	180	\$3,000.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 9: Archuleta, Dolores, La Plata, Montezuma, San Juan</b>			
Material Aid	24	79	\$25,200.00
Nutrition	304	130	\$466,678.40
Transportation	44	30	\$198,000.00



Other	17	90	\$66,300.00
In-Home	33	44	\$45,080.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 10: Delta, Gunnison, Hinsdale, Montrose, Ouray, San Miguel</b>			
In-Home	27	112	\$35,252.64
Nutrition	32	30	\$44,900.00
Other	4	60	\$5,730.00

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 11: Garfield, Mesa, Moffat, Rio Blanco</b>			
Nutrition	79	57	\$102,549.20
Other	50	300	\$43,065.00
Transportation	63	328	\$20,536.74
In-Home	49	585	\$48,917.93

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 12: Eagle, Grand, Jackson, Pitkin, Summit, Routt</b>			
Material Aid	55	264.43	\$111,375.00
In-Home	23	19.15	\$22,678.92
Transportation	29	19.76	\$21,741.30
Other	18	12.72	\$35,995.02

Service	Total Number of People on Waitlist	Average # of days clients were waiting for this service in SFY24	Total Cost for Reducing the Waitlist for 1 year
<b>Region 13: Chaffee, Custer, Fremont, Lake</b>			
In-Home	17	93	\$2,647.75



<b>Grand Total to Eliminate Waitlists</b>	<b>\$10,022,422.00</b>
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*\*Data from the State Unit Data System (SUDS) and Colorado Budget, Reimbursement and Expenditures (CBRES) system*

*\*\*In-Home includes: Chore, Personal Care, Homemaker*

*\*\*\*Other includes: Case Management, Counseling, Evidenced Based, Reassurance, Caregiver*

*\*\*\*\*Material Aid includes: Audiology, Vision, Dental*

It is important to note that per 26-11-205.5(2) C.R.S., the funding provided to AAAs through the State Funding for Senior Services (SFSS) Long Bill line item must be disbursed to the AAAs via the federally-approved Intrastate Funding Formula (IFF). The IFF is an allocation formula based on several population demographic figures provided annually by the State Demography Office. As a result, if additional funding is appropriated to the SFSS line item, the funding will be distributed to the AAAs based on the IFF, not based on specific AAA funding needs to eliminate waitlists. For example, if the JBC appropriates an additional \$3 million to the SFSS line item with the intent of addressing AAA waitlists, an AAA that receives five % of the overall AAA allocation would receive \$150,000 of that funding and an AAA that receives 40% of the AAA allocation would receive \$1,200,000 of that funding, regardless of their waitlists needs. If both AAAs needed \$300,000 to eliminate their waitlists, one AAA would not be able to eliminate its waitlists while the other AAA would receive more funding than what is needed to eliminate its waitlists.

In 2024, SUA staff began workgroups of AAAs and providers to discuss waitlists for two of the more utilized services provided with OAA and SFSS funds: nutrition and transportation. These workgroups are looking at best practices from other states and working in collaboration with AAAs and providers to establish new protocols for prioritizing service to older adults in the greatest social and economic need. Further, the SUA and AAA network have collaborated on a comprehensive report related to funding adequacy for AAA services (Senate Bill 24-040), which has allowed further work on the commitment the Department made to pursue clarity on funding needs across the state. This work will continue into 2025 and beyond.

In addition, other factors to be considered regarding the AAA waitlists include:

- **Inflation** - steady increases in raw food costs, labor costs, insurance costs, and fuel costs have contributed to an increase in unit costs for many services.
- **Growth in the Aging Population** - Colorado is currently home to over 1.2 million individuals over the age of sixty, and that number is growing. During the next four-year period, that number is projected to increase by nearly 13%. Currently, one in five Coloradans is 60 or older. The fast pace of growth in the older adult cohort will continue as the state is forecast to see a 25% increase in the older adult population from 2020 to 2030. By 2050, more than a quarter of the State's population will be sixty or older.
- **Regional Provider Capacity or Availability** – some local service providers do not have the staff, volunteers, space, etc. to serve additional older adults. Further, not all areas of a particular AAA region have all services; in some areas there is insufficient demand to be cost effective for a provider to serve those older adults.





Even if additional funding were provided, the lack of providers in some areas of the state would need to be addressed in order to fully eliminate a waitlist. Finally, it is important to note that the total unduplicated number of individuals on the waitlist changes day to day, making it challenging to project what the need will be moving forward.

#### **Growth in Waitlists SFY 22-23 to SFY 23-24**

Since the 2023 RFI, waitlists for older adults needing supportive services across the state have grown significantly. Over the last year, the number of AAA regions reporting waitlists has grown from 6 regions in SFY 2022-23 to 13 regions in SFY 2023-24. 46% of the waitlists listed above are new within the last 12 months. The number of unduplicated clients on waitlists has grown by 1,815 people, or 37% since SFY 22-23. The cost to eliminate all waitlists has increased 68% since SFY 2022-23. In addition to an increased number of people on the waitlists, this is primarily due to increases in raw food, food packaging, fuel and labor costs to deliver services.

<b>SFY</b>	<b># of Regions with waitlists</b>	<b># of people on waitlists</b>	<b>Cost to clear waitlists</b>
2022-23	6	4,940	\$5,958,623
2023-24	13	6,755	\$10,022,422

According to information gathered from the AAA regions, the primary reason for the existence of waitlists is due to funding shortages. With the consistently growing population of older adults, it is anticipated that waitlists and the costs to address those waitlists will continue to grow.

